



Report to the Secretary of Defense

Capability Requirements Identification and Development Processes Review

Report FY09-2

- **Recommendations to Improve Joint
Capability Requirements Identification
and Development Processes**

Report Documentation Page			Form Approved OMB No. 0704-0188		
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE OCT 2008		2. REPORT TYPE		3. DATES COVERED 00-00-2008 to 00-00-2008	
4. TITLE AND SUBTITLE Capability Requirements Identification and Development Processes Review			5a. CONTRACT NUMBER		
			5b. GRANT NUMBER		
			5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S)			5d. PROJECT NUMBER		
			5e. TASK NUMBER		
			5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Report to the Secretary of Defense, Defense Business Board, Washington, DC			8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSOR/MONITOR'S ACRONYM(S)		
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 34	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Capability Requirements Review

TASK

The Vice Chairman of the Joint Chiefs of Staff requested that the Defense Business Board (DBB) review the Department of Defense joint capability requirements identification and development processes. A copy of the official Terms of Reference outlining the scope and deliverables for the Task Group can be found at **Appendix A**.

The DBB was asked to pay particular attention to four first-order principles that underpin these processes:

- a. The role of the Chairman, Joint Chiefs of Staff, as the Principal Military Advisor to the President, the Secretary of Defense, and the National Security Council;
- b. The role of Combatant Commanders as the principal employers of joint and combined warfighting capabilities;
- c. The responsibility of the Military Services to organize, train and equip joint warfighting capabilities under Title 10, and;
- d. The governance and oversight roles of DoD civilian leadership, through the Administration and Congress, to set acquisition policy and allocate resources to procure capabilities necessary to fulfill the national security needs of the nation.

The Vice Chairman's intention was to ensure that the roles, missions, and authorities of the four principles were clear, aligned, and balanced across the Department, and in pursuit of the necessary military capability. The Vice Chairman expressed four goals:

- 1. Ensure that a forum and means are available such that all stakeholders are clearly heard and represented in the discharge of their responsibilities and prerogatives.

Defense Business Board

2. Concomitantly, ensure that decision-makers have necessary authorities and clear accountability during every step of the requirements and acquisition processes.
3. In case of disagreement held by a stakeholder, ensure that a venue for appeal to senior Departmental leadership is available.
4. Finally, ensure that necessary joint warfighting capability is delivered to Combatant Commanders in a timely manner and consistent with the need.

The Vice Chairman also requested the DBB consider the “transition process” (e.g., the fulfillment of validated joint requirements by acquisition/procurement processes within the scope of the Defense Acquisition System) and identify procedures and metrics that should be modified to provide greater flexibility and timely satisfaction of joint warfighter needs, especially in conflict situations. Finally, the Vice Chairman asked that the DBB provide recommendations that could be implemented where possible without requiring additional congressional authority or legislative change.

The DBB formed a joint Task Group with participants from the Defense Science Board (DSB). The Task Group sponsor was General James Cartwright, USMC, Vice Chairman, Joint Chiefs of Staff. Mr. Joseph Wright of the DBB and General Michael Carns, USAF, Ret., of the DSB served as co-chairs. Other Task Group members included Michael Bayer and Dov Zakheim. The Task Group was assisted by Defense Science Board consultants Pierre Chao and Leigh Warner. Col Glenn Rousseau, USAF, followed by COL Kevin Doxey, USA, served as Executive Secretaries.

PROCESS

The Task Group held a series of meetings with key leaders in the Office of the Secretary of Defense, Joint Chiefs of Staff, the Military Services, the Combatant Commands and other pertinent entities to better understand the requirements identification and development processes, gather data and review current procedures and practices. The Task Group also met with the Deputy Secretary of Defense, the Under Secretary of Defense

Defense Business Board

(Acquisition Technology and Logistics) (USD(AT&L)), and the Principal Deputy in the office of the Under Secretary of Defense (Comptroller) (USD(Comptroller)).

The Army, Navy, Marine Corps and Air Force provided overview briefings regarding their Title 10 authorities, and their roles and responsibilities with respect to requirements identification and acquisition. In addition, a customer perspective was provided by the Commanders of three Combatant Commands: United States Pacific Command, United States Joint Forces Command and United States Strategic Command.

From the Joint Staff, the Director, Force Structure, Resources and Assessment (J-8), Joint Chiefs of Staff, briefed the group on Joint Staff initiatives to improve the requirements identification and capability prioritization processes. The J-8 staff also provided an overview of the Joint Capabilities Integration and Development System (JCIDS). The JCIDS along with the Defense Acquisition System and the Planning, Programming, Budgeting and Execution System are the principal major decision support processes used by the Department to equip and sustain the nation's military capability. The Task Group also reviewed three representative program overviews as case studies: the Joint High Speed Vessel; Single Integrated Air Picture; and the Mine Resistant Ambush Protected Vehicle.

The Task Group also sought perspectives from outside the Department of Defense. Members spoke to the staff of the Packard Commission, congressional committee staff from the House and Senate Armed Services Committees and think tanks, such as the Center for Strategic and International Studies (CSIS). CSIS provided an executive-level brief on improving the Department's Governance, under their "Beyond Goldwater-Nichols" project. This brief stressed the need for a common governance framework and greater advocacy for future joint warfighting.

In addition, the Task Group members conducted interviews with subject matter experts for a more in-depth understanding of requirements capability, capabilities-based planning and assessment processes and the relationship with the existing governance structure, comprised of the JROC, the Joint Capabilities Board and the Functional Capabilities Board.

The draft findings and recommendations were presented to the full Board for deliberation at the October 23, 2008 quarterly meeting. See **APPENDIX B** for a copy of the final presentation approved by the Board.

OBSERVATIONS

The current process for requirements identification and development is neither effective nor adequate to address in a timely manner the current and emerging joint challenges and opportunities faced by the Department. Likewise, the joint warfighters' needs are not currently the primary drivers for decisions nor are the warfighters empowered as the parties responsible for identification of their own joint requirements. That responsibility rests with the suppliers (e.g., the Military Services), not the users (e.g., the Combatant Commanders). The Task Group noted that given the layered culture of the current requirements process, a paradigm shift is needed to realign the requirements identification process more directly with the needs of the users.

As noted, per their assigned Title 10 authorities, the Military Services are the "suppliers" that organize, train and equip the warfighter. Operational requirements are only considered "joint" when two or more Military Services have the same need.

The Combatant Commanders are the "users" of the Services' various capabilities yet currently have few opportunities for input into the requirements identification process and no definitive responsibility in the decision-making process. This management process does not embrace the original intent of the Packard Commission to draw upon the advice of the Combatant Commanders.

The JROC, as the primary governance structure for the validation of joint requirements, is primarily a bureaucratic, administrative process rather than a high-value, results-oriented activity. It functions as a committee seeking consensus, vice a board that deliberates and either approves or rejects recommendations and proposals.

The JCIDS is not efficient and takes an enormous effort to affect what amounts to roughly one percent of the Program Budget Review.

Finally, history shows that the JROC has not been successful in making strategic trade-offs when needed (e.g., unmanned vs. manned aircraft).

Through the course of the Task Group meetings with the Combatant Commanders, it became clear that these military commanders desired stronger representation and greater involvement in the joint requirements development and approval process. Several expressed the view that the JROC “hub trips” (e.g., tours of the Combatant Commands) and Senior Warfighter Forums occur far too late in the requirements setting process to have a meaningful influence on outcome.

The Task Group noted that these governance and process problems are fueled by: (1) the lack of a mutually agreed upon strategy for future joint capability requirements; (2) a foundational process for joint capability-based planning; and (3) the widely-held perception that “collaboration” equals “lowest common denominator.” Additionally, the JROC’s analytic approach was judged to lack the ability to identify likely future joint warfighting environments (e.g., irregular warfare and disruptive future challenges).

Based on the Task Group’s observations, the following conclusions were drawn about roles and responsibilities:

- The Military Services are best able to organize, train and equip warfighting resources.
- The Chairman and Military Service Chiefs are key actors who play a significant role in the requirements setting process and outcomes and have major influence to implement or stymie proposed changes.
- The Combatant Commanders, as the ultimate users, have significant, relevant and timely insights to contribute to the development and setting of joint capability requirements.
- The Comptroller and Acquisition Executives focus on implementation of the decision process and the Director of Operational, Test and Evaluation measures to validate that the operational need is fulfilled.
- The Task Group believes it is appropriate to designate the USD(AT&L) and USD(Comptroller) as advisors to the JROC, (Public Law 110-181).

RECOMMENDATIONS

Based upon the Task Group's discussion, observations and conclusions, the DBB offers the following recommendations for adoption by the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Vice Chairman of the Joint Chiefs of Staff:

- Re-role the JROC from a consultative council to a decision board—this is not business-as-usual.
- Re-role the authority of the Vice Chairman while acting as the Chair of the JROC to be the final decision-maker on the validation of joint capability requirements.
- Appoint Combatant Commanders as voting members of the JROC (Military Service Vice Chiefs would continue to attend but would be non-voting).
- Re-define a “joint capability requirement” as a capability required by two or more Combatant Commanders (vice two or more Military Services).
- Expand the definition of “joint capability requirement” to include the Combatant Commander's full scope of responsibilities (e.g., from pre-conflict through post-conflict resolution and interagency requests).
- Involve the Combatant Commanders earlier in the joint requirements development cycle, validation cycle, and budget cycle to increase linkage between the near-term allocation of resources and fulfillment of medium and longer-term requirements.
- Re-write JROC Terms of Reference to include the processes and procedures for making trade-off decisions by the voting members of the JROC.
- Require that the JROC: (1) establish outcome-oriented and capability focused key performance parameters for both the threshold and desired levels of capability for all approved joint capability requirements; (2) set critical boundaries for cost and schedule, and performance; and (3) require the Military Services and USD (AT&L) to report both anticipated and actual divergence from these “critical boundaries.”
- Ensure that representatives of USD(AT&L) and USD(Comptroller) provide appropriate support, insight and advice to JROC deliberations.

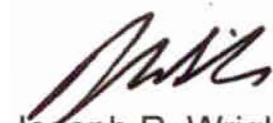
CONCLUSION

The current global economic crisis and ongoing military action increase the urgency for the Department to embrace this recommended paradigm shift toward efficiency of time and resources by putting the validation of joint capability requirements primarily in the hands of the Combatant Commanders. Further, "time-to-field" of necessary capabilities should be improved by defining a joint capability requirement as that needed by two or more Combatant Commanders and by expanding "joint capability requirements" to consider the full scope of the regional Combatant Commander's responsibility from pre-conflict thru post-conflict resolution.

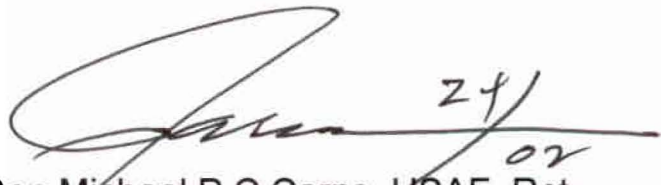
Restructuring the JROC as a Board, bringing the Combatant Commanders into the management process, and providing the Vice Chairman, Joint Chiefs of Staff, with the authority to be the final decision-maker will be critical to improved integration of validated joint requirement decisions within the Defense Acquisition System.

These recommendations also will draw the joint force users, the Combatant Commanders, into the core of the joint capability requirement establishment and validation process. The Military Services would continue to execute their core role of organizing, training and equipping forces while remaining major participants in the determination of future capability needs.

Respectfully submitted,



Joseph R. Wright
Task Group Co-Chairman



Gen Michael P C Carns, USAF, Ret
Task Group Co-Chairman

Defense Business Board

This Page Intentionally Blank

APPENDIX A
(TASK GROUP TERMS OF REFERENCE)

Defense Business Board

This Page Intentionally Blank



THE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

WASHINGTON, D.C. 20318-9999

MEMORANDUM FOR THE DEFENSE BUSINESS BOARD

Subject: Capability Requirements Identification and Development Processes Review

1. As Vice Chairman of the Joint Chiefs of Staff, I am committed to ensuring that DOD processes are executed as efficiently and effectively as practicable to best support the Chairman, the Secretary of Defense, and the President. One of our most important and most challenging processes is the way we identify and prioritize our requirements.

2. I would like to call upon your perspective and experience to help us review the DOD capability requirements identification and development processes. Please pay particular attention to four first order principles that underpin our processes:

a. The Chairman's role as the Principal Military Advisor to the President, the Secretary of Defense, and the National Security Council.

b. Combatant commanders act as the principal customer of joint warfighting capabilities.

c. Services, as the title 10 Departments, act as the principal developers and suppliers of joint warfighting capabilities.

d. Civilian oversight, through the Administration and Congress, must be facilitated since they provide guidance and direction.

3. It is my intent to ensure the roles, missions, and authorities of these four principles are properly defined, aligned, and balanced across the Department of Defense to provide military capability in support of national security objectives. The goal of this effort is to ensure that:

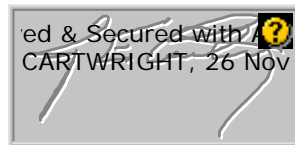
a. Stakeholders are clearly heard and represented while maintaining their appropriate and particular prerogatives.

b. Assessments, and consequent accountability, are essential to the processes.

c. A venue for appeal is available to each stakeholder.

d. The necessary joint warfighting capability is delivered to the combatant commanders in a timely manner.

4. Please provide me with your findings and any recommendations to modify existing law, policies, and/or procedures that might improve our processes by 31 January 2008. The Joint Staff point of contact is Colonel Don MacWillie, USA; J-8/JCD; 703-695-2705.



JAMES E. CARTWRIGHT
General, United States Marine Corps
Vice Chairman
of the Joint Chiefs of Staff

Defense Business Board

APPENDIX B

(TASK GROUP FINAL REPORT– OCTOBER 23, 2008)

Defense Business Board

This Page Intentionally Blank



DEFENSE BUSINESS BOARD



ASSISTED BY THE DEFENSE SCIENCE BOARD

Task Group on Capability Requirements Identification and Development Processes Review

October 2008



DBB TASK GROUP

Michael Bayer (DBB)

Joe Wright (DBB Co-Chairman)

Mike Carns (DSB Co-Chairman)

Dov Zakheim (DBB)

Pierre Chao (DSB)

Leigh Warner (DSB)

DOD SPONSOR

Gen James Cartwright, USMC, Vice Chairman, Joint Chiefs of Staff

DBB EXECUTIVE SECRETARIES

Col Glenn Rousseau, USAF, COL Kevin Doxey, USA



- Deliverables

- Provide recommendations to improve joint capability requirements identification and development processes
 - Ensure necessary joint warfighting capability is delivered to the combatant commanders in a timely manner
 - Ensure roles, missions, and authorities are properly defined, aligned, and balanced to provide necessary military capability
 - Ensure stakeholders are heard / represented with venue for appeal
 - Scope includes existing law, policies, and procedures

- Milestones

- Initial Findings – January 2008 (DBB meeting)
- Final Recommendations – April 2008 (DBB meeting)



- Evaluated current and prescriptive states of the enterprise:
 - Department interviews (current and retired professionals)
 - COCOMs
 - Services
 - Joint Staff
 - OSD
 - Think tank perspectives
 - Staffs of Packard Commission, HASC and SASC
 - Review of literature and prior research on defense requirements identification and capability development processes



OVERALL ASSESSMENT OF CURRENT PRACTICE

- Requirements process not working the joint problems
 - “Jointness” is not a primary driver
 - Services (suppliers) decide what the warfighter (user) gets
- Current process is not effective
 - Little high-value activity; lots of process for process sake
 - No context with which to make strategic tradeoff decisions
 - Plethora of strategy documents allows anything to be justified
 - Current practice is unsustainable in a down budget future
- There is no commercial model for the way its done in DoD and it is near opposite of what was intended by the Packard Commission



NOT WORKING JOINT PROBLEMS

- No mutually agreed strategy for future joint capability requirements
- No foundational process for joint capability-based planning exists
 - Services have four different requirements identification processes
 - To do something joint, Services "translate" into "Joint"
 - Joint Capability Areas are not helpful – Services don't plan this way
- "Collaboration" was referred to in a derogatory manner by every briefer using the term
 - Means "jointness" is perceived as being a negative
 - Perception: "collaboration" equals "lowest common denominator"
- Services control capability requirements resources and information



NOT WORKING JOINT PROBLEMS

- COCOMs want more involvement in JCIDS and Service capability requirements processes
 - JROC Hub Trips and Senior Warfighter Forums occur far too late to have a meaningful influence
 - Approximately \$10B of very fluid capability requirements across regional COCOMs need definition to close gaps (Example: Cyber)
- Analytic Agenda lacks definition of likely future joint warfighting environment (non-traditional and disruptive)



CURRENT PROCESS IS NOT EFFECTIVE

- JROC mired in programmatic detail; not making strategic trade-off recommendations
- JCIDS did not anticipate need for MRAP capability
 - What else is not anticipated?
- JCIDS focused on up-budgets; down budgets will negatively impact joint capability requirements because Services will feel obliged to restore their readiness first
- Capability-Based Assessments not consistent across the Department
 - Being done by a variety of actors
 - No standards, lots of process, lots of paper, little value



CURRENT PROCESS IS NOT EFFECTIVE

- JCIDS not efficient
 - Huge effort to slice 1% of the Program Budget Review
 - Elaborately designed to identify gaps in pre-decided capabilities and is deficient in identifying capability overlaps
 - Estimate a 50% overlap in joint capability portfolios with no process to de-conflict – wastes time and resources



KEY ACTORS

- CJCS & Service Chiefs – will make or break proposed changes
- Services – in best position to organize, train and equip warfighting resources to support COCOM plans; best relationship with industry
- Combatant Commanders – in best position to define joint capability requirements to ensure we remain within enemy's decision cycle
- Comptroller – for support on the budgeting side
- AT&L – for support throughout acquisition processes
- ODT&E – measure whether requirements are being carried out to the fullest as systems proceed through operational testing / development; ensure COCOMs get what they need



DESIRED OUTCOMES

- Embody original intent of David Packard's Commission and expand to include lessons learned
- Paradigm evolution: Put capability requirements decisions in the hands of users (COCOMs) responsible for operational execution
- Paradigm extension: Expand "joint capability requirement" to consider full scope of responsibility from pre-conflict thru post-conflict resolution
- Restructure JROC as a board vice a committee -- chaired by VCJCS
- Designate VCJCS as the senior military decision-maker responsible for joint capability requirements
- Complete an end-to-end review of the joint requirements process using a value-added standard to reduce costs and time-to-field
- Fully integrate JROC decisions into the Acquisition process



REDEFINE “JOINT CAPABILITY REQUIREMENT”

- Define based on what 2 or more COCOMs need vs. what 2 or more Services need
- Maturation of what the DoD means by “joint” – new definition includes full range of joint and interagency responsibilities
- Recognition of Joint Capability Requirement as a critical Service and AT&L directive



RESTRUCTURE JROC

- Scope the engagement from a “Committee” to that of a “Board”
- Organize for speed of decisions driven by the enemy and industry
- Assign Combatant Commanders as JROC voting “board” members
- Meet virtually as needed; mandate face-to-face meetings 6 times/year
 - Focus senior leaders on priority items in a simplified, less costly process
 - Maintain quickest decision process possible w/appropriate analysis/debate
- Designate Service Vice Chiefs as non-voting members
- AT&L and Comptroller as non-voting members
 - Participation does not imply their endorsement or limit statutory authorities
- VCJCS has final authority to determine “joint capability requirements”
- Send JROC decisions via action memo through AT&L to DepSecDef
- Services/AT&L to provide follow-up status to JROC when programs exceed critical boundaries established by the JROC



ADD COCOM STRATEGIC PRIORITIZATION ROLES AND RESPONSIBILITIES

- Early in budget cycle, develop holistic strategy/vision that considers the COCOM's full range of joint and interagency responsibilities in establishing joint capability requirements
- Work with Services, AT&L and Comptroller to balance current resources with near-term/long-term requirements to ensure necessary military capabilities to support pertinent national security objectives



JROC GOVERNANCE

- VCJCS fulfills a role in the military chain comparable to DepSecDef in the civilian policy and oversight chain
- In determining and adjudicating joint military requirements, it is appropriate to designate AT&L and USD(C) as advisors to the JROC, IAW P.L.110-181
- COCOMs are added to JROC membership to ensure combatant commands have a leading role in determining and approving required joint military capabilities
 - VCJCS will identify COCOM positions on each requirements issue
 - VCJCS will be the final decision authority on validating military requirements as joint



TRANSITION BETWEEN REQUIREMENTS & ACQUISITION

- 9 new Joint Capability Portfolios; assign COCOM lead for each
- COCOMs deliberate in JROC regarding portfolio management and priorities
- Services, AT&L, and Comptroller provide insight/advice to JROC deliberations
- VCJCS issues JROC decisions via action memo to DepSecDef, information to AT&L and USD(C)—to establish critical boundaries for program management
- DepSecDef review of JROC decisions
- Services, AT&L and Comptroller implement JROC critical boundaries
- Report divergence from critical boundaries to JROC



KEY BENEFITS OF RECOMMENDATIONS

- Provides alignment between COCOMs, Services, AT&L and Comptroller based on Capability Requirement critical boundaries
- Implements the 80/20 rule: about 80% of current JROC activity will come back to the Services.
- With JROC functioning as a board vice a committee, decision making shifts to approval/rejection; not micro management.
- Gets JROC out of the fixing program business...that activity returns to acquisition entities when necessary.
- Allows more time for Service Vices to run Services instead of sitting in or prepping for the JROC.
- Reduces Services' manpower and resources currently committed to supporting the requirements process



DEFENSE BUSINESS BOARD ROLE

- Continue to support specific issues as requested by VCJCS
- Help socialize accepted recommendations with
 - Congress
 - Deputy Secretary of Defense
 - COCOMs
 - Service Chiefs
 - Defense Science Board, Defense Policy Board
 - Think Tanks, Professional Associations, Key Business Entities (AIA, etc.)